

WASHINGTON

INFORMATION

June 3, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *ZB*

SUBJECT: Follow up on Mrs. Carter's Conversation
with Costa Rican President Oduber

3619 J

You asked me to follow up on certain economic and trade items which arose during Mrs. Carter's meeting with Costa Rican President Oduber. Below are the steps we plan to take to follow up on those discussions. I have also attached background information on the specific topics raised by President Oduber.

Meat Import Quotas As we have negotiated agreements with exporting countries limiting inward shipments of meat during 1977, there is probably little we can do this year to meet Oduber's concern. But each fall there is an interagency review of the meat import program for the coming year. I am asking the Secretaries of State and Agriculture and Ambassador Strauss to determine whether (1) meat import restrictions for 1978 can be lifted entirely (this would be the best way to open our market to increased shipments of meat from Costa Rica); or (2) special provisions can be made for smaller exporters to permit shipments above the level permitted by traditional formulae. *not (!)*

Palm Oil. I will ask the Secretaries of State and Treasury to review our current policy on loans by international financial institutions for palm oil production.

Trade. From a trade policy standpoint, I don't believe there is much we can or should do to implement a system of regional preferences. The Latin American countries are in disagreement among themselves on this point (e.g. Brazil and Mexico oppose the idea). Moreover, anything we do in this area would discriminate against products from Asia, Africa and the Middle East.

Oduber mentioned specific trade problems in addition to meat: sugar, textiles and chayote (Indian squash). We are aware of no particular problems with sugar and textiles but will investigate further. In the case of chayote I will request the Trade Policy Staff Committee to review GSP treatment of this product. Costa Rican chayote is currently not eligible for GSP because that country ships more than 50% of total US imports of the product. However, domestic production of chayote is minimal and it may be possible to waive the requirement and grant GSP.

*Tasking memo, on political actions have already gone to Vance and Young. *ZB.**

10/14